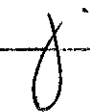


SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

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SENATE
P.S. Resolution No. 1549

RECEIVED BY: 

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON WAYS AND MEANS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE GUIDELINES AND PROCEDURES OF THE BUREAU OF CUSTOMS (BOC) IN MONITORING AND SCREENING THE "BALIKBAYAN BOXES" ARRIVING IN THE COUNTRY, WITH THE END IN VIEW OF INSTITUTIONALIZING PRACTICAL POLICIES AND PROTOCOLS, ENSURING THAT THE RESOURCES OF THE BOC ARE MAXIMIZED TOWARDS THE FULFILLMENT OF ITS MANDATE OF CURBING SMUGGLING

Whereas, Section 602 of Republic Act No. 1937, otherwise known as the Tariff and Customs Code of the Philippines (TCCP), mandates the Bureau of Customs (BOC) to assess and collect lawful revenues, prevent smuggling and other frauds, and control import and export cargoes, among others;

Whereas, in terms of manpower, the BOC has 6,264 total permanent positions of which only 3,479 is filled as of 2015;

Whereas, the Bureau spends P834,559,000 for the salaries of said officials and employees;

Whereas, for fiscal year 2015, the BOC has a budget of P3,055,920,000 total new appropriations under the General Appropriations Act (GAA);

Whereas, P540,523,000 of this amount is allocated for "Surveillance and prevention of smuggling" nationwide;

Whereas, Section 105 (f) of the TCCP provides for conditionally-free importation of "personal and household effects belonging to residents of the Philippines returning from abroad" which are shipped to our country inside "balikbayan boxes";

Whereas, guidelines and procedures regarding "balikbayan boxes" are outlined by the BOC and made public through various media including its website;

Whereas, indicated in the said guidelines is that "100% examination of the consolidated shipment is required by law 1) to protect the legitimate interests of consignors / senders and their consignees, in particular, and the transacting public, in general; 2) to protect the interest of the government; 3) to prevent and suppress smuggling and other fraud upon customs;

Whereas, since the enactment of the TCCP, "balikbayan boxes" which were considered "packages of love" filled with items bought with hard-earned money and

carefully chosen by our Overseas Filipino Workers (OFWs) for each of the members of their families are being conveniently sent to our country;

Whereas, according to BOC, around 800,000 “balikbayan boxes” arrive every month in our ports;

Whereas, the BOC states that there are incidents where the privileges granted to “balikbayan boxes” are being abused by smugglers by shipping through these boxes some prohibited items such as gun parts, ammunition, gun accessories, illegal drugs, and other items which are not anymore personal but are instead commercial;

Whereas, because of such technical smuggling through the “balikbayan boxes”, the BOC estimates that the government loses P50 million in revenues a month or P600 million a year;

Whereas, in response to this problem, the BOC Commissioner Alberto Lina announced in early August 2015 that more stringent rules on consolidators of “balikbayan boxes” will be implemented, including the random physical opening and inspection of boxes;

Whereas, the BOC will hire additional personnel to inspect up to 2 percent or around 16,000 of the total of boxes entering the country every month;

Whereas, this policy was initially supported and defended by the palace, with the President quoted as stating, “Let us help Customs do their job”;

Whereas, such procedure was widely criticized especially by OFWs and their families, including legislators and religious leaders. The Secretary of Labor urged the BOC Commissioner to reconsider its policy taking into consideration its effect to OFWs;

Whereas, critics of the said policy are in fear that cases of pilferage, missing items, or tampered boxes, which currently happen in tolerable breadth, will actually worsen;

Whereas, concerns about BOC’s questionable prioritization of its efforts towards curbing smuggling were also raised, citing the comparison between smuggling through “balikbayan boxes” and big-scale smuggling of sports cars, rice and fake rice, and even garbage from overseas which amounts to a revenue loss of an estimated \$3.85 billion annually;

Whereas, a day after expressing his support to the said policy and as an outcome of his meeting with the Secretary of Finance and BOC Commissioner, the President ordered the halt of random physical inspection of “balikbayan boxes”;

Whereas, the President ordered that all boxes should instead be subjected to x-ray and K-9 examinations, and only those with derogatory findings will be physically opened and inspected in the presence of an Overseas Workers Welfare Administration (OWWA) representative or a designated officer of an OFW Association with provisions for CCTV monitoring of the inspection areas;

Whereas, the President’s directive included penalty and prosecution of employees who violate the protocols and engage in pilferage;

Whereas, while this latest development is more reasonable and acceptable to stakeholders, it is important that a clear-cut policy regarding “balikbayan boxes” should

be institutionalized, isolating it from any politically-driven decisions and making it consistent despite changing leaders;

Whereas, the policy to be crafted, either by the executive or the legislative department, should strike the best balance between the mandate of the BOC and the interest of the stakeholders;

Whereas, said policy should also take into consideration the limited financial and manpower resources of the government and how they will be efficiently allocated to the various anti-smuggling programs of the BOC;

Whereas, most importantly, the Bureau should put in place a reliable system with trustworthy people to remove any clout of doubt or hesitation of the public in the BOC;

Whereas, in line with the Bureau's vision of "A modernized and efficient customs administration that every Filipino can trust and be proud of", a policy that will institutionalize the procedures and protocols regarding "balikbayan boxes" should be crafted at the soonest possible time;

THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED by the **Senate**, that the Senate Committee on Ways and Means, conduct an inquiry, in aid of legislation, on the guidelines and procedures of the Bureau of Customs (BOC) in monitoring and screening the "balikbayan boxes" arriving in the country, with the end in view of institutionalizing practical policies and protocols, ensuring that the resources of the BOC are maximized towards the fulfillment of its mandate of curbing smuggling

Adopted,


JINGGOY EJERCITO ESTRADA
Senator